

happened. Today, more nations than ever have nuclear weapons. North Korea's powerful underground nuclear explosion last week reminded us that testing continues. And there are great fears that terrorists could get nuclear weapons through the black market. Tragically, the United States has not done enough to stop the threat.

The previous administration turned its back on arms control. It practically laughed at America's obligations under the Nuclear Non-Proliferation Treaty. It refused to push for Senate ratification of the comprehensive Test Ban Treaty, and it proceeded with plans for the United States to develop new nuclear weapons, which undermined our ability to deal with North Korea and Iran.

Mr. Speaker, we must do better. The United States must lead. We must lead a new global effort to make the world nuclear free. It's the moral thing to do, and it's also smart politics. If we are seen as leading the fight for non-proliferation and disarmament, we will be in a much better position to convince the world community to put peaceful pressure on North Korea and Iran to give up their nuclear ambitions.

President Obama is already moving the right direction. In his speech in Prague on April 5, he promised to reduce the role of nuclear weapons in our national security strategy. He announced the new diplomatic effort with Russia to reduce warheads. He promised to work for ratification of the Test Ban Treaty, and he said he would seek a new treaty to end the production of fissile materials for use in nuclear weapons. I welcome all of these policies.

In fact, 3 days before the press speech in Prague, I introduced Resolution 333, which is called No Nukes. It calls upon the United States to take a number of important actions to end the nuclear threat. It calls upon the United States to pursue multilateral negotiations to produce verifiable steps that every country should take to eliminate their nuclear weapons. It calls for the United States and Russia to work together to end the deployment of nuclear weapons that are currently operational and can be launched on short notice. It urges the President to declare that so long as the United States has nuclear weapons, we will not—and I say we will not—use them first. It calls for ending the previous administration's policy of preventative warfare and ending our development of new weapons of mass destruction, and it calls for a ban on weapons in outer space.

I've also introduced House Resolution 363, which describes my Smart Security Platform for the 21st Century, which includes several initiatives to stop the spread of weapons of mass destruction. It calls for beefing up inspections and regional security arrangements to stop proliferation. And it advocates more funding for the programs designed to keep Russian weapons and

materials from falling into the wrong hands.

I urge my colleagues, please examine both of these resolutions and support them. There is no time to waste. The world is getting more dangerous every single minute. And if there is a nuclear attack, we won't be able to save our lives by ducking under our desks like we were taught in grade school.

Mr. Speaker, America must move aggressively to end the nuclear menace. It's the most important thing we can do for our country, and it is the most important thing we can do for our children and our grandchildren.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

(Mr. JONES addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### STOP AWARDING NO-BID CONTRACTS TO PRIVATE COMPANIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. FLAKE) is recognized for 5 minutes.

Mr. FLAKE. Mr. Speaker, just moments ago I gave notice of my intent to offer a privileged resolution asking that the House Ethics Committee look into the relationship between earmarks and campaign contributions and the link between PMA, the PMA Group that is currently under investigation by the Justice Department.

Now, it has been raised several times that this privileged resolution is a blunt instrument and that the Ethics Committee is really not designed to deal with such a resolution. And let me be the first to concede that point. These resolutions that I've offered—this is the ninth one that was offered tonight—they are a blunt instrument. The Ethics Committee is not designed to deal with an investigation of this magnitude, but it's the only instrument we've got at this point. We are really out of other options.

Right now as it stands, when Members of Congress request earmarks, they have to sign a statement saying that they have no financial interest in the earmark that they are pursuing; in other words, that a family member doesn't work on or for the firm receiving the earmark. But to receive campaign contributions in close proximity to that earmark request is not considered financial interest by the House Committee on Ethics, and the guidance that they've issued to Members is that that does not necessarily constitute financial interest. Yet we know that there are numerous investigations going on outside of this body by the Justice Department that have to do with earmarks and campaign contributions.

So out of an abundance of caution, I would hope that this institution would

say we need to stay above this fray, that when you can—when a Member of Congress has the ability to award a no-bid contract to a private company, and then executives in that private company—and the lobbyists that are retained by them—can turn around and make sizable campaign contributions to that same Member who awarded the no-bid contract, we are going to have problems here and we're going to have investigations go on. And it will continue to represent a cloud over this body, a cloud that rains on Republicans and Democrats alike.

This is not a partisan resolution. This is not a partisan problem. No one party is above this. Both the Democratic Party and the Republican Party have Members who are requesting earmarks for companies who then turn around and make sizable—I'm sorry—individuals in those companies turn around and make sizable contributions back to those same Members. And it is unbelievable that we continue to allow that to happen.

Now, I have said before, and I will say again, that I will stop offering this resolution as soon as we have an agreement not to allow the awarding of no-bid contracts for private companies. As soon as the leadership—both the Republicans and Democrats—agree in this body to stop that practice, to not have Members of Congress have the ability to award no-bid contracts—in other words, to get earmarks for private companies—then I will stop offering this resolution. It is a blunt instrument. I recognize that. The Ethics Committee is not really meant to deal with issues of this magnitude, but as long as we continue this practice and allow this to happen, then this institution is going to be under a cloud, as it is now.

So, again, I've noticed this resolution tonight. I don't have to call it up later this week. I would prefer not to. I would prefer not to have another vote on this resolution. But as long as we continue the practice of allowing Members of this body to award no-bid contracts to companies, private companies, who can then turn around and have their executives and the lobbyists they retain make sizable contributions to those same Members, and as long as we allow that practice to continue, we're going to need to address it somehow; and this is the only forum, this is the only vehicle that we're allowed right now.

So I would hope, Mr. Speaker, that we can bring this resolution to some type of conclusion, that we won't have to offer a 10th next week or in some week to come, that we can actually deal with this meaningfully. This institution deserves far better than we are giving it.

I think when most of us were elected, we believed that we had a higher purpose than to come here and grovel for crumbs that fall from appropriators' tables, that we're here to debate the great issues of our time. And when you

have an issue like we have now where Members are able to award no-bid contracts to private companies, then we simply have to stop the practice.

#### THE BANKS' ARROGANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, today the New York Times lead editorial "Foreclosures: No End in Sight," states there will be no economic recovery until there is a halt in the relentless rise in foreclosures. Foreclosures threaten millions of families with financial ruin, and by driving prices down, they sap the wealth of all homeowners. They exacerbate bank losses putting pressure on the still-fragile financial system.

Let's give Wall Street credit. They've accomplished the biggest transfer of wealth from the middle class to the super rich in U.S. history. And still, no one is holding them accountable. What a crying shame.

Study this picture. Five Wall Street money center banks had subsidiaries involved in the subprime mortgage loan fraud which led to our economic meltdown—JPMorgan Chase, Citigroup, Bank of America, Wachovia, and Wells Fargo—yet we, the American taxpayers, continue to bail out their bad business practices.

The Dow, in fact, removed Citigroup today from their listed companies. The very people who originated subprime loans, bundled them and passed them on are the very winners of taxpayer largesse with no strings attached. Those who come out on top are the same five, arrogant and recalcitrant. They don't even return phone calls from local Realtors trying desperately to resurrect their local housing stock.

Nonresponse is but the tip of the iceberg. The banks' arrogance has led them to use their inordinate power to hold up our Republic. Elected officials tiptoe around them. Some even protect them. And any group with that much power needs to be reined in in a democratic republic. If you're too big to fail, you're too big to exist.

But who will do it? Last year, Treasury Secretary Paulson struck fear in a skittish Congress a mere 6 weeks before elections—how convenient that timing was—to pass the \$700 billion taxpayer bailout of Wall Street saying America was on the verge of an economic disaster. Congress stampeded to pass that bill, and the economy melted down anyway.

Paulson held his conversations behind closed doors—no records—banking on, both literally and figuratively, the honor of politicians to not repeat his exact words. But a few weeks after Paulson got his hands on the public spigot, he changed direction. Originally he said, We asked for \$700 billion to purchase troubled assets and at the time we believed that would be the

most effective means of getting credit flowing. But, in fact, after the bill was passed on October 3, in consultation with the Federal Reserve, he determined that the most timely, effective step to improve market conditions was to put the money into the banks themselves.

□ 2000

So rather than holding banksters accountable in the courts and in the system, Washington has been systematically rewarding them.

Since then, every clever bill Congress has cooked up to address the credit crisis engendered by the housing market meltdown has just picked at the edges. Look at your districts. Look at our country.

The headlines and signing ceremonies look good. But there are over 5 million families' mortgages now under water, and it's rising. The economic fundamentals are out of whack. Legislation that looks good on the surface keeps being pushed forward, but in effect, the bills simply allow the government to become a bigger dumping ground for Wall Street's housing excess. Neither justice nor prudence are being brought to Wall Street.

When Louis Brandeis wrote "Other People's Money," his conscience moved a Nation to regulate banks that were plundering our republic during the Roosevelt years. This included Ferdinand Pecora, who directed Senate hearings over a period of 2 years, examining and illuminating Wall Street practices. And those exhaustive hearings turned Wall Street inside-out to public view. We should do no less.

But who will be our Pecora? Where is this Congress? Where is our President? And what has happened to our democratic government?

[From the New York Times, June 2, 2009]

#### FORECLOSURES: NO END IN SIGHT

A continuing steep drop in home prices combined with rising unemployment is powering a new wave of foreclosures. Unfortunately, there is little evidence, so far, that the Obama administration's anti-foreclosure plan will be able to stop it.

The plan offers up to \$75 billion in incentives to lenders to reduce loan payments for troubled borrowers. Since it went into effect in March, some 100,000 homeowners have been offered a modification, according to the Treasury Department, though a tally is not yet available on how many offers have been accepted.

That's a slow start given the administration's goal of preventing up to four million foreclosures. It is even more worrisome when one considers the size of the problem and the speed at which it is spreading. The Mortgage Bankers Association reported last week that in the first three months of the year, about 5.4 million mortgages were delinquent or in some stage of foreclosure.

Not all of those families will lose their homes. Some will find the money to catch up on their payments. Others will qualify for loan modifications that allow them to hang on. But as borrowers become more hard pressed, lenders—whose participation in the Obama plan is largely voluntary—may not be able or willing to keep up with the spiraling demand for relief.

One of the biggest problems is that the plan focuses almost entirely on lowering monthly payments. But overly onerous payments are only part of the problem. For 15.4 million "underwater" borrowers—those who owe more on their mortgages than their homes are worth—a lack of home equity puts them at risk of default, even if their monthly payments have been reduced. They have no cushion to fall back on in the event of a setback, like job loss or illness.

This page has long argued that a robust anti-foreclosure plan should directly address the plight of underwater homeowners by reducing the loans' principal balance. That would restore some equity to borrowers—and give them a further incentive to hold on to their homes—in addition to lowering monthly payments. The mortgage industry has resisted this approach, and the Obama plan does not emphasize it.

With joblessness rising, lower monthly payments could quickly become unaffordable for many Americans. In a recent report, researchers at the Federal Reserve Bank of Boston argued that unemployment is driving foreclosures and to make a difference, anti-foreclosure policy should focus on helping unemployed homeowners. The report suggests a temporary program of loans or grants to help them pay their mortgages while they look for another job.

The government will also have to make far more aggressive efforts to create jobs. The federal stimulus plan will preserve and generate a few million jobs, but that will barely make a dent—in the overall economic crisis or the foreclosure disaster. Since the recession began in December 2007, nearly six million jobs have been lost, and millions more are bound to go missing before this downturn is over.

President Obama needs to put more effort and political capital into promoting the middle-class agenda that he outlined during the campaign, including a push for new jobs in new industries, expanded union membership and a fairer distribution of profits among shareholders, executives and employees.

There will be no recovery until there is a halt in the relentless rise in foreclosures. Foreclosures threaten millions of families with financial ruin. By driving prices down, they sap the wealth of all homeowners. They exacerbate bank losses, putting pressure on the still fragile financial system. Lower monthly payments are a balm, but they are no substitute for home equity. And until more Americans can find a good job and a steady paycheck, the number of foreclosures will continue to rise.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. WOLF) is recognized for 5 minutes.

(Mr. WOLF addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.